



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our Ref.: B1/15C

23 December 2021

The Chief Executive  
All Authorized Institutions

Dear Sir / Madam,

**Reform of interest rate benchmarks**

I am writing to update you on a few developments relating to the reform of interest rate benchmarks.

The Hong Kong Monetary Authority (HKMA) is encouraged to observe that authorized institutions (AIs) have made substantial progress in migrating from LIBOR to alternative reference rates. They have managed to remediate the vast majority of contracts referencing those LIBOR settings which will cease to be published next year. For those AIs with outstanding contracts requiring remediation before the close of the year, they should complete the residual contract re-negotiation work as soon as practicable.

The HKMA would like to remind AIs that they should not enter into new LIBOR contracts after the end of 2021. If AIs expect their customers to have foreign currency financing needs in early 2022, they should approach the customers early and assist them in making suitable financing arrangements.

To reduce the reporting burden on AIs, the HKMA will switch the reporting frequency of the Survey on Reform of Interest Rate Benchmarks from monthly back to quarterly from January 2022. In other words, the next reporting position after December 2021 should be March 2022. AIs are requested to keep up the momentum in transitioning away from the remaining LIBOR settings in good time before 30 June 2023.

The HKMA will monitor market developments during the year-end transition closely. Should you have any questions about this letter, please contact Mr Gordon Wong on 2878-1272 or Mr Anthony Choy on 2878-1547.

Yours faithfully,

Raymond Chan  
Executive Director (Banking Supervision)